

Leadership Initiatives

VA Executive Board and Strategic Management Council

Senior VA leadership communicates regularly to improve performance and increase accountability. In May 2001, the Secretary established two leadership forums to provide a more integrated and collaborative governance, performance review, and decision-making process. The VA Executive Board (VAEB), chaired by the Secretary, includes the Deputy Secretary, Chief of Staff, General Counsel, and Under Secretaries for Health, Benefits, and Memorial Affairs. The Strategic Management Council (SMC), chaired by the Deputy Secretary, includes the six Assistant Secretaries; the Deputy Under Secretaries for Health, Benefits, and Memorial Affairs; the Deputy General Counsel; Chair for the Board of Veterans' Appeals; Chief of Staff; Counselor to the Secretary; and the Senior Advisor to the Deputy Secretary. In most cases, the SMC makes recommendations to the VAEB, which makes key decisions affecting VA.

Early in 2004, the Secretary held a planning conference for VAEB and SMC members. During the conference each administration and staff office presented its accomplishments achieved to date and discussed the specific actions necessary to achieve outstanding commitments to the President, Congress, veterans service organizations, other stakeholders, and our Nation's veterans and their families.

Examples of accomplishments presented include improving the health of veterans by providing quality, accessible, and timely care; improving resource management and business practices; and providing research, education, and contingency support. Also, VA ensured that veterans receive prompt accurate decisions

on disability claims and institutionalized the seamless transition into VA health care for servicemembers who leave active duty with an illness or disability. The Department continued the effort to restore VA's national cemeteries to national shrines and managed the expansion of VA's national cemeteries. VA reformed the procurement process, ensured project managers are capable and certified, implemented capital asset management, and increased VA/DoD information sharing. Finally, the Department improved cyber security, implementing an integrated enterprise architecture, refining continuity of operations, and enhancing *One VA* telecommunications networking initiatives.

Business Oversight Board

The VA Business Oversight Board (Board) meets quarterly to review all major business policy and operations issues involving procurement, collections (primarily medical collections), capital asset management, and business revolving funds (Canteen, General Post Fund, Franchise Fund, Supply Fund). The Board monitors performance of the operating plans approved by the Secretary and identifies and manages key business issues facing VA. The Board also approved several organizations' operating charters and the Pershing Hall construction loan pay-off.

Over the past year, the Board has focused on restructuring the Department's capital assets with the goal of reducing the funds needed to operate and maintain the capital asset infrastructure. The Board has directed actions to ensure better oversight. Those actions include consolidating official records, redistributing responsibilities for enhanced-use trusts, performing trust audits, more closely tracking cash flow,

and assessing current structure and procedures. Experts have been brought in to provide legal and financial guidance for these unique instruments. The savings can then be used to provide enhanced care for veterans in the most advantageous settings and locations.

The General Post Fund investment strategies received additional scrutiny this year. Previously, the General Post Fund reserve was invested in short-term Treasury securities earning 1 percent per annum. The investment strategy has been diversified, and a portion of those reserve investments has been shifted over the last 3 months to earn 4 percent per annum with longer investment maturities. The additional revenue received from investments will be used to support veterans programs such as the Wheelchair Games.

One of the Board's primary focuses has been procurement reform. To date, the Department has completed 50 of the 65 reforms recommended by the Secretary's Procurement Reform Task Force to VA's nearly \$9 billion-a-year contracting operations. The Department is on track to complete all 65 recommendations by the end of calendar year 2004. This will improve efficiency and extend VA's buying power for its health care system.

In FY 2004, the Board reduced Franchise Fund reserves (accumulated over the last 3 years) by \$15.1 million by providing a billing holiday to customers.

The Board has monitored VA's progress in improving the way the Department manages and tracks collections and ensures accurate insurance information. Through August 2004, compared to prior year performance, VA has realized the following revenue process improvements:

- Collections increased \$175 million from \$1.372 billion as of the end of August 2003 to \$1.546 billion through August 2004.

- Billed Amount increased \$430 million from \$3.353 billion as of the end of August 2003 to \$3.784 billion through August 2004.

In addition, Accounts Receivable outstanding greater than 90 days decreased from 40.2 percent in July 2003 to 35.4 percent in July 2004. VA is continuing to identify areas of improvement based on comparisons to metrics used in the private sector health care industry.

As part of its oversight function, the Board continued to coordinate the work of existing oversight groups and activities in an effort to improve overall business process efficiency and effectiveness.

Monthly Performance Reviews

Monthly performance reviews were instituted in December 2001 to help address the Secretary's top priority issues such as disability claims processing times and patient waiting times for appointments. All Under Secretaries and Assistant Secretaries report to the Deputy Secretary on the status of their organization's financial and program performance, workload, and major construction and information technology projects.

In FY 2004, the Deputy Secretary held 11 monthly performance reviews. Senior VA leadership discussed the causes for any variances from planned activities, and identified and implemented corrective action plans where necessary in order to help ensure the Department achieved its performance goals for the year.

These meetings provide senior managers with an increased, in-depth understanding of issues and accomplishments affecting the entire Department. They enable us to link performance directly to our budget plan on a month-by-month basis. Our intent is to ensure that our programs produce the intended results of the legislation that created them and that the outcomes for veterans are those intended by Congress and the American people.